

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Inquiry Concerning  
City Carrier Costs

Docket No. PI2017-1

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued May 31, 2017)

To assist the Commission in its inquiry concerning the Postal Service's Response to Order No. 2792 and other estimated city carrier costs and volumes, the Postal Service is requested to provide written responses to the following questions and requests for information.<sup>1</sup> The responses should be provided as soon as possible, but no later than June 30, 2017.

**Questions Related to the Postal Service Response to Order No. 2792**

1. Please provide an update or a status report on the results of the Postal Service's investigation on the feasibility of obtaining reliable and accurate daily volume measures for in-receptacle parcels, deviation parcels, and accountable mail. The update or report should cover the period since the Postal Service filed its response to Order No. 2792.
2. The Postal Service Response to Order No. 2792 at 14-15, states that "[b]ecause no measure of collection mail from customers on city letter routes currently exists, and any attempts to regularly record daily counts would appear to require tremendous expense, the Postal Service is investigating the possibility of finding

---

<sup>1</sup> Docket No. RM2015-7, Response of the United States Postal Service to Commission Order No. 2792, February 16, 2017 (Postal Service Response to Order No. 2792).

- a proxy for collection mail ... .” Please discuss the results of the Postal Service’s efforts in identifying a proxy for mail collected by city carriers from customer receptacles.
3. Please discuss any findings or progress as to whether the proposed data for in-receptacle parcels, deviation parcels, accountable mail, and mail collected by city carriers from customer receptacles can be used to construct a single-equation city carrier letter route cost model for street time.
  4. The Postal Service Response to Order 2792 at 19, states that it “has not abandoned the idea of conducting a special field study, but more investigation is needed to ensure that this costly endeavor will yield data of the quality and magnitude required by the Commission.” Please discuss the results of any further investigation into a special field study, as referenced above, and its potential role in updating the city carrier Special Purpose Route (SPR) cost model.
  5. Commission rule 39 C.F.R. § 3050.12 requires that the Postal Service provide a list of the special studies used to produce the estimates employed in its annual periodic reports to the Commission and to indicate whether each study reflects current market conditions and procedures. In Docket No. ACR2016, the Postal Service stated that the SPR city carrier survey “generally reflect[ed] the operating environment in FY 2016” because “the occupations surveyed perform primarily the same activities as they did when the studies were done.”<sup>2</sup> As shown in Table 1 below, between FY 2010 and FY 2016, the proportion of city carrier SPR time devoted to various activities appears to have changed. Please explain how the city carrier SPR street time cost pool proportions and variabilities, adopted in Docket No. R97-1, would generally reflect current operations.<sup>3</sup>

---

<sup>2</sup> See Docket No. ACR2016, Library Reference USPS-FY16-9, file “USPS-FY16-9 Roadmap.pdf,” December 29, 2016, at 132.

<sup>3</sup> See Docket No. R97-1, Opinion and Recommended Decision, Volume 1, May 11, 1998, at 193.

**Table 1: IOCS-Estimated City Carrier Special Purpose Route Costs,  
Total Costs by Route Type**

<b>Special Purpose Route (SPR) Type<sup>a</sup></b>	<b>FY 2010 Estimated Costs<sup>b</sup></b>	<b>FY 2010 Percent of Total SPR Costs</b>	<b>FY 2016 Estimated Costs<sup>c</sup></b>	<b>FY 2016 Percent of Total SPR Costs</b>
Exclusive Parcel Post	\$72,060,760	14.24%	\$186,921,100	34.60%
Collection	\$180,824,700	35.72%	\$138,998,500	25.73%
Relay	\$24,971,130	4.93%	\$11,676,190	2.16%
Other/Combination	\$228,345,000	45.11%	\$202,664,100	37.51%
<b>Total</b>	<b>\$506,201,500</b>	<b>100.00%</b>	<b>\$540,259,800</b>	<b>100.00%</b>
<p>Note: Row components may not add to column total due to rounding.</p> <p><sup>a</sup> IOCS codes for an exclusive parcel post route is 86, a collection route is 87, a relay route is 89 and other/combination route is 98. See the "F260" variable list of route codes in the excel file "IOCSDataDictionaryFY16.xls," at 22 in Docket No. ACR2016, Library Reference USPS-FY16-37, December 29, 2016 and the excel file "IOCSDataDictionaryFY10.xls," at 22 in Docket No. ACR2010, Library Reference USPS-FY10-37, December 29, 2010.</p> <p><sup>b</sup> FY 2010 IOCS estimated costs were Commission generated from Docket No. ACR2010, Library Reference USPS-FY10-37/"Data" folder, file "PRCPUB10.sas."</p> <p><sup>c</sup> FY 2016 IOCS estimated costs were Commission generated from Docket No. ACR2016, Library Reference USPS-FY16-37/"Data" folder, file "PRCPUB16.sas."</p>				

**Questions Related to the In-Office Cost System (IOCS) City Carrier Costs and City Carrier Cost System (CCCS)**

6. In Docket No. ACR2016, in response to Chairman's Information Request No. 21, question 1.b.ii., the Postal Service states that city carriers who are delivering parcels to their own letter route at unusual hours normally clock to their regular Management Operating Data System operation codes in LDC 22 and that these carriers are recorded in IOCS as assigned to their regular letter route (including the corresponding costs in the letter route group costs).<sup>4</sup>

---

<sup>4</sup> Docket No. ACR2016, Response of the United States Postal Service to Question 1 of Chairman's Information Request No. 21, March 2, 2017.

- a) Please specify the hours that the Postal Service considers unusual hours for city carrier delivery of parcels.
  - b) Please identify the specific IOCS sampling methodology and procedures the Postal Service applies to ensure that city carrier employees who are delivering parcels to their regular route at unusual hours are accurately and sufficiently sampled. With your response, please include any analyses related to the treatment of nonresponses, or IOCS readings that are otherwise not obtained, in this context, given the potential for limited staffing during unusual hours.<sup>5</sup>
  - c) Please discuss how the volumes of parcels delivered by city carriers to their own letter routes at unusual hours would be identified in the CCCS.
7. Please discuss the reasons why the portion of total costs attributable to products in cost segment 7.2 (city carrier delivery street activities costs) has declined from 43.33 percent in FY 2013 to 37.85 percent in FY 2016.<sup>6</sup>

By the Chairman.

Robert G. Taub  
Chairman

---

<sup>5</sup> Previously, the Postal Service has employed the assumption that “nonresponse is random, or independent of what is being estimated, and can therefore be regarded as constituting a simple reduction in sample size.” Docket No. ACR2016, Library Reference USPS-FY16-37, file “USPS-FY16-37.pdf,” December 29, 2016, at 7.

<sup>6</sup> *Compare* Docket No. ACR2013, Library Reference USPS-FY13-2, “USPS-fy13-2-revised\_2-6-14.zip”, excel file “FY13.Public CS&CRpt.Revised.xls,” “CS07” tab, total attributable costs in cell D61 divided by total costs in cell D63, December 27, 2013, *with* Docket No. ACR2016, Library Reference USPS-FY16-2, excel file “fy16public cost segs and comps.xls,” “CS07” tab, total attributable costs in cell F59 divided by total costs in cell F61, December 29, 2016.